

SENATE BILL NO. 276

INTRODUCED BY K. TOOLE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE PUBLIC SERVICE COMMISSION'S AUTHORITY TO APPROVE THE ACQUISITION OR TRANSFER OF A PUBLIC UTILITY; PROVIDING THE COMMISSION WITH AUTHORITY TO ALLOCATE PROCEEDS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Commission approval of public utility acquisition or transfer. (1) A public utility may not be acquired or transferred without the prior approval of the commission.

(2) The commission may not approve an acquisition or transfer of a public utility unless, after notice and hearing, it finds that:

(a) the public interest will not be adversely affected;

(b) the proposed acquisition or transfer will not diminish the public utility's ability to provide reasonably adequate and reliable public utility services at a just and reasonable charge;

(c) the cost of and rates for supply service will not be increased by reason of the acquisition or transfer; and

(d) the applicant for acquisition or transfer has a bona fide intent and financial ability to operate and maintain the public utility.

(3) The commission may allocate some or all of the gain or profit on the acquisition or transfer of a public utility to the utility's ratepayers if the commission determines that the allocation is in the public interest.

(4) For purposes of this section, "acquisition" or "transfer" means any transaction that, regardless of the means by which it is accomplished, results in:

(a) a change in ownership or control of a majority of the voting capital stock of a public utility or in the ownership or control of any entity that owns or controls a majority of the voting capital stock of a public utility; or

(b) the selling, assigning, or transferring of any property used for transmission or distribution of

1 electrical energy or natural gas.

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3 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
4 integral part of Title 69, chapter 3, part 1, and the provisions of Title 69, chapter 3, part 1, apply to
5 [section 1].

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7 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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